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GAIN Report

#GR0036

Greece

Tomatoes and Products

Semi-Annual

2000

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Report Highlights:

Current forecasts for the 2000 Greek tomato report call for 1,960,000 mt of both table use and industrial tomatoes. Total industrial tomato production is estimated at 1,220,000 mt with about 90 percent going for paste, passata, and juice. The quality for this year's crop varied from good to average. The world demand for Greek tomato paste is currently fairly weak due to large stocks currently held by importers. Demand should improve as stocks are used with total exports of tomato paste reaching 185,000 mt, mainly to Europe.

Includes PSD changes: Yes
Includes Trade Matrix: No
Semi-Annual Report

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GR0036**I. SITUATION AND OUTLOOK**

While official forecasts for the 2000 tomato crop are not yet available, present indications are that the total tomato crop (both table and industrial) was close to 1,960,000 MT compared to 2,090,000 MT a year earlier. Part of the reduction is due to some losses with the first transplanting in the region of Macedonia due to adverse weather conditions which also resulted in a delay of the beginning of harvest by about a week. Total industrial tomato production is estimated at 1,220,000 MT of which about 90 percent (1,095,000 MT) was delivered to processors for tomato paste, passata and juice and about 3 percent (40,000MT), was processed for canned tomatoes, (whole, crushed/chopped and diced). The balance of about 15%, or 85,000 MT, was either sold in the fresh market (40,000 MT), or categorized as farm use, losses and waste (45,000 MT). The quality of this year's industrial tomato crop varied from good to average with the Brix content ranging between 4.3 to 5.6 with an average of 5.3. This is relatively good compared to the poor quality 1999 crop where the Brix content averaged 5.12. Tomato paste quality was also good to average and the color and mold count were within normal acceptable levels.

Based on EU Reg. No1519/2000 of July 12, 2000, the minimum grower prices in EURO for the 2000/01 season remained unchanged from those of a year earlier while processors' aids were drastically reduced by about 20 percent (see statistical tables).

The EU, on an annual basis, sets the country allocation quotas of industrial tomatoes to be processed by each member country. The quota for Greece (for the 2000 campaign) was reduced slightly to 1,110,954 tons, while the total EU quota was increased slightly (see statistical table).

The processing period this year, depending on the region was as follows:

Peloponnesus (Ilia)	July 7 through Sept. 25
Macedonia	July 28 through Sept. 25
Thrace (Xanthi)	July 31 through Oct. 10
Thessaly	August 1 through Sept. 28

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Total table tomato production this season, both field grown and under cover is estimated at about 740,000 MT, the same as a year earlier, and was within normal levels.

Wholesale prices at the Athens central market for tomatoes (field grown and undercover), industrial diverted for table use, and imported from January through late October were as follows:

Period	Under cover		Field grown		Industrial		Imported	
	Drs/Kg	\$/kg	Drs/Kg	\$/Kg	Drs/Kg	\$/Kg	Drs/Kg	\$/Kg
Jan-June	120-350	0.34-1.00	-	-	-	-	200-550	0.57-1.58
July-Aug	-	-	150-350	0.41-0.96	100-130	0.27-0.36	300-350	0.82-0.96
Sept-Oct	-	-	140-300	0.36-0.76	70-120	0.18-0.31	300-450	0.76-1.15

Exchange Rates:

Jan - June 2000 \$1.00 = 348.450 Drachmas

July - Aug 2000 \$1.00 = 365.594 Drachmas

Sept - Oct 2000 \$1.00 = 392.746 Drachmas

The EU regulates the table tomato trade with EU Reg. No 2200/96 of Oct. 28, 1996. EU Reg. No 2715/99 of Dec. 20, 1999 which sets maximum withdrawal levels of tomatoes. These levels have remained unchanged for the last several years at 360,000 MT for the entire community. The EU controls quality standards for traded fresh table tomatoes with Reg. No 790/2000 of on April 14, 2000.

A total of about 3,177 MT of fresh table tomatoes was imported during CY1999 while 6,465 MT were exported. It is believed that the 2000 imports of fresh table tomatoes will be at or below the 1999 levels while exports will be higher, as the quality of tomatoes was appreciably better than a year earlier.

Total tomato paste production this season is estimated at 180,000 MT, converted to 28-30 TSS, plus another 4,500 MT converted to the same concentration of tomato juice and passata. Production of canned tomatoes is presently estimated at about 10,500 MT of whole peeled tomatoes plus 20,800 MT of crushed/chopped and diced product.

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Tomato paste ex-factory prices for 28-30 TSS basis product, aseptically packed in drums, 2000 crop, range at present from 175 to 225 drachmas per kilogram (about 0.45 to 0.57 \$/kg).

Minimum Grower Prices for Industrial Tomatoes for the 2000/01 Year

Tomatoes to be Processed for:	EURO per 100 kgs
a) Tomato paste & juice with dry residue of over 4.8% and below 5.4%	8,805 1/
b) Whole, peeled or unpeeled or frozen whole peeled	
i) San Merzano var.	14,575
ii) Roma and other similar var	11,212
c) Not whole, peeled or unpeeled or frozen not whole	8,805

1/ This price is reduced by -5% in case that the dry residue is below 4.8% but equal or above 4% and is increased by +5% in case that the dry residue is above 5.4%.

GR0036**Processing Aid for Industrial Tomatoes for the 2000/01 and 1999/2000 Years
(EU Reg. No1519/2000 and 1513/1999)**

Products	2000/01	1999/2000
EURO per 100 kgs		
a) Tomato concentrate with dry weight content of 28% or more but less than 30%	17.178	21.619
b) Whole peeled in juice		
i) San Merzano var	6.528	8.215
ii) Roma & Other Similar var.	4.604	5.794
c) Crushed tomatoes	3.223	4.056

Tonnage Allocation Quota for Industrial Tomatoes for Greece and for the Entire EU by Product for the 2000/01 and 1999/2000 Years (EU Reg. No 564/2000 and 865/1999)

Tomato Products	For Greece		Total EU		
	2000/01	1999/2000	2000/01	1999/2000	
	Metric Tons				
Tomato Paste	1,033,367	1,064,832	4,614,814	4,585,253	
Whole Peeled, Canned	14,660	15,619	1,321,119	1,321,119	
Other Products	30,142	30,503	929,890	929,890	
TOTAL	1,078,169	1,110,954	6,865,823	6,836,262	

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III. NARRATIVE ON SUPPLY AND DEMAND, POLICY & MARKETING

Production

The use of hybrid seeds in tomato production is increasing. Hybrid seeds are used exclusively on the entire acreage of about 2,500HA of fresh table tomatoes under cover with a total annual production of about 250,000 MT (average yield of about 100 to 120 MT/ha). The use of hybrid seeds for the industrial tomato production varies widely depending on the district. In the Ilia district where practically all tomatoes are transplanted, the use of hybrid seed is extensively used, while in the Macedonia and Thrace districts, where only the first tomatoes are transplanted and the rest are direct seeded, the use of hybrid seeds are not so widely accepted.

Consumption

Consumption of fresh table tomatoes in recent years has amounted annually to about 700,000 to 750,000 MT and is spread throughout the year as a result of the continued supply from tomatoes under cover during the period from November through June. Consumption of canned tomato products stands at present at about 57,000-62,000 MT net weight – annually. See page 10 of our report GR-0012 of May 30, 2000.

Trade

The foreign demand for tomato paste at present is low because of large stocks held by the importers. Initially there was some interest from foreign buyers but that interest eased as the season progressed. Demand is expected to improve however, as the season progresses and total tomato paste exports for the 2000/01 year are expected to increase to 185,000 mt as is indicated in the PS&D table. Prices are given in the I Section of this report. The EU absorbs about 70-80% of tomato paste exports annually with the U.K. and Germany being the principal buyers.

Stocks

The carry over stocks from last season are believed to be close to 30,500 MT although no official data is available. About 35 to 40 percent of this year's production has already been committed and it is hoped that before the start of the next season less than 18,000 MT will be on hand.

Policy

The EU sets the basic guidelines of the tomato policy as covered earlier in this report.

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Exchange Rate

1998	\$1.00 = 294.30 Drachmas
1999	\$1.00 = 308.85 Drachmas
2000 Jan-Nov	\$1.00 = 363.84 Drachmas

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PSD Table						
Country	Greece					
Commodity	Fresh Tomatoes				(HA)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Plnt For Fresh Consump	0	17500	0	17500	0	17500
Plnt For Processing	0	21250	0	23000	0	21500
TOTAL Area Planted	0	38750	0	40500	0	39000
Harv. For Fresh Cons.	0	17500	0	17500	0	17500
Harv. For Processing	0	21250	0	23000	0	21500
TOTAL Area Harvested	0	38750	0	40500	0	39000
Fresh Sale Production	0	760000	0	740000	0	740000
Processing Production	0	1325000	0	1350000	0	1220000
TOTAL Production	0	2085000	0	2090000	0	1960000
TOTAL SUPPLY	0	2085000	0	2090000	0	1960000

GR0036**PS&D Table, Canned Tomatoes**

PSD Table						
Country	Greece					
Commodity	Canned Tomatoes				(MT)(MT, Net Weight)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Deliv. To Processors	39000	39000	40500	40500	41000	40000
Beginning Stocks	4899	4899	1999	1999	799	1799
Production	32600	32600	30300	31800	31000	31400
Imports	14000	14000	16000	16000	16000	15000
TOTAL SUPPLY	51499	51499	48299	49799	47799	48199
Exports	18000	18000	16000	16000	16000	16000
Domestic Consumption	31500	31500	31500	32000	31500	31500
Ending Stocks	1999	1999	799	1799	299	699
TOTAL DISTRIBUTION	51499	51499	48299	49799	47799	48199

GR0036**PS&D Table, Tomato Paste, 28-30% TSS Basis**

PSD Table						
Country	Greece					
Commodity	Tom. Paste, 28-30% TSS Basis				(MT)(MT, Net Weight)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Deliv. To Processors	1217000	1217000	1205000	1205000	1181000	1095000
Beginning Stocks	2500	2500	4000	4000	34500	30500
Production	215000	215000	202000	203000	209000	184500
Imports	4500	4500	4000	4000	3500	3500
TOTAL SUPPLY	222000	222000	210000	211000	247000	218500
Exports	203000	203000	160000	165000	200000	185000
Domestic Consumption	15000	15000	15500	15500	15500	15500
Ending Stocks	4000	4000	34500	30500	31500	18000
TOTAL DISTRIBUTION	222000	222000	210000	211000	247000	218500